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DECISION



**THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D. C. 20548**

FILE: B-191634

DATE: May 10, 1978

MATTER OF: Cabarrus Construction Company, Inc.

DIGEST:

Acceptance of bid by contracting officer is reasonable where bidder with actual knowledge of significant disparities between its lump-sum bid and other bids voluntarily verifies bid and reminds contracting officer that similar disparities existed in connection with other contract which bidder performed at profit. Acceptance of bid consummated valid and binding contract which should not be reformed to reflect cost of smoke detectors inadvertently omitted from bid price.

The Veterans Administration (VA) issued invitation for bids 659-32-77 for the construction of smoke barriers and related work at the VA hospital in Salisbury, North Carolina. Bids were opened on June 16, 1977, with the following results:

Cabarrus Construction Co.	\$202,300
Flynco, Inc.	233,373
Holland-Linder Construction	234,700

After bid opening, Cabarrus Construction Co.'s (Cabarrus) representative who had been present during bid opening voluntarily verified its bid.

The contract was awarded to Cabarrus on June 30, 1977. On or about August 11, 1977, Cabarrus alleged a mistake in bid. More specifically, Cabarrus contends that the cost of smoke detectors required by section 681 of the IFB were inadvertently omitted from the bid price because of a misunderstanding between its mechanical and electrical subcontractors. Cabarrus now requests that the contract price be reformed to reflect the cost of the smoke detectors.

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The general rule applicable to a mistake in bid alleged after award has been stated as follows:

"* * * the sole responsibility for preparation of a bid rests with the bidder, and where a bidder makes a mistake in bid it must bear the consequences of its mistake unless the mistake is mutual or the contracting officer was on actual or constructive notice of error prior to award. See Autoclave Engineers, Inc., B-182895, May 29, 1975, 75-1 CPD 325. When, as in this case, a bidder is requested to and does verify its bid, the subsequent acceptance of the bid consummates a valid and binding contract. However, proper verification requires that in addition to requesting confirmation of the bid price, the contracting officer must apprise the bidder of the mistake which is suspected and the basis for such suspicion. General Tire Corporation, B-180613, July 5, 1974, 74-2 CPD 9; Federal Procurement Regulations § 1-2.406-1 (1964 ed. circ. 1)." Boise Cascade Envelope Division, B-185340, February 10, 1976, 76-1 CPD 86.

In Tri-State Maintenance, Inc., B-189605, November 15, 1977, 77-2 CPD 369, and Reaction Instruments, Inc., B-189168, November 30, 1977, 77-2 CPD 424, we held that if before award a bidder was on notice of the disparity between its low, lump-sum bid and other bids and it verifies its bid, the contract should not be reformed after award because of a mistake in bid.

In the instant case, Cabarrus' representative stated in substance that he realized that Cabarrus' bid was much lower than the other bids; however, he "really looked at this job" and was confident that Cabarrus could perform the contract at the bid price. Also, the Cabarrus representative reminded the contracting officer that he had put him on notice of a possible mistake in bid in connection with another procurement, with similar disparities in bid prices, and Cabarrus had performed the contract at a profit.

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Under the circumstances, we feel that it was reasonable for the contracting officer to accept Cabarrus' voluntary verification. The acceptance of Cabarrus' bid consummated a valid and binding contract. Consequently, reformation of the contract would not be proper. Boise Cascade Envelope Division, supra; Reaction Instruments, Inc., supra; Tri-State Maintenance, Inc., supra.

For the reasons stated above, Cabarrus' request for reformation of the contract price would not be proper.


Deputy Comptroller General
of the United States